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Harvesting is now in full swing in the PRC. Nonetheless, China is stepping up its grain purchases for 1977/78.

Spain Ups Pork Output To Meet Demand

By James Lopes

Consumers in Spain are eating pork almost faster than farmers can produce it, prompting continued modernization and growth in the country's swine industry and expanded imports of U.S. feed ingredients. With Spanish spending power still on the rise and pork one of the favorite Spanish meats, this upward trend shows little sign of abating in the near future.

Following some recent consolidation, pork production in Spain seems to be returning to the growth pattern that has moved it sharply higher during the last 2 decades and contributed to expansion in Spanish imports of U.S. grains and oilseeds.

Last year, this modernized industry produced 2.5 times as much pork as in 1960—much of it from formula-fed hogs on large commercial enterprises, as opposed to the garbage-fed and free-ranging hogs that once predominated.

During this time, Spanish demand for pork generally has remained a few steps ahead of production, with the result that Spain is still attempting to expand pork output while relying on the United States for much of the feedgrains and soybean meal used in hog rations. (The share of Spanish feed production going to swine totals about 30 percent.)

In 1975, Spain's imports of basic feedstuffs (feedgrains, soybeans, and nongrain feedstuffs) amounted to $1.2 billion, 41 percent of the country's total farm imports, compared with only $216 million 10 years earlier.

Of this, feedgrain imports totaled a record 4.7 million metric tons, valued at $671 million, twice the volume and over 4½ times the value of 1965, to account for 37 percent of Spain's total feedgrain utilization in 1975. In addition, Spain imported 1.7 million tons of soybean worth $430 million—a 10-fold increase in value from 1965—and 250,000 tons of high protein cake and meal valued at $41 million.

In 1976, Spain's imports of feedgrains dropped to about 4 million tons, but imports of soybeans reached a record of over 1.9 million tons. Also, imports of vegetable protein meals in 1976 were a record 607,200 tons, with over 95 percent soybean meal.

During both years, the United States was by far the largest supplier of feedstuffs to Spain, accounting for two-thirds of the value of that country's feedstuff imports.

Feedgrains (mainly corn) are Spain's leading agricultural import from the United States and in 1975 totaled 3.2 million tons valued at $475 million. These imports, however, declined to 2.6 million tons in 1976, in line with the drop in Spain's total feedgrain imports following two good domestic barley crops.

U.S. soybeans also are in the forefront of this trade and in 1975 tallied up at 1.2 million valued at $282 million. Imports climbed a further 160,000 tons in volume during 1976 to account for nearly 70 percent of Spain's total soybean imports, while purchases of U.S. soybean meal rose threefold to 365,000 tons.

Growth in Spain's pork industry began in earnest around 1960 and progressed steadily through 1974—the peak year for pork output. During that time, production shot from 258,000 tons to 710,000 as producers expanded and modernized their operations. Paralleling this growth, hog numbers climbed from 6 million head in 1960 to 9.1 million in 1973.

Since 1974, the industry has undergone a period of consolidation, correcting the too-rapid expansion of the early 1970's and resulting financial difficulties of producers caught between rising costs and falling prices. Consequently, production in 1975 eased to about 600,000 tons—some 15 percent below the 1974 high—while hog numbers dropped off to 8.6 million head in 1976. But production rebounded to 650,000 tons in 1976 and is expected to reach 700,000 in 1977.

Indeed, aside from the temporary market gluts and declining prices of recent years, Spanish pork producers have a better domestic market today than they did in 1960. For consumption since 1960 has risen more than 2.5 times, reaching about 702,000 tons in 1976.

Similarly, pork imports in 1975 accounted for only 6 percent of total consumption, not greatly different from the situation a decade earlier. But the value of pork imports in 1975 was $55 million, or half the value of Spain's total meat imports. As in 1960, exports of pork in 1975 were of little significance, totaling only about $1 million.

The consumption growth has paralleled improvement in incomes, alongside a modest population growth of about 1 percent a year. Between 1965 and 1976, per capita gross national product rose 4.2 times to about $2,800, and per capita pork consumption doubled to about 20 kilograms. This represented a third of last year's total per capita meat intake, including poultry meat, and was about 6 kilograms above per capita consumption of beef and veal.

Unlike other Mediterranean countries, the Spanish have traditionally enjoyed all types of pork products, not only as salami, but fresh pork meat as well. The improved economic level has encouraged greater consumption of pork.

Most of the increase in total consumption has been

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A hog carcass hangs in a meat shop in Madrid. Spaniards get about a third of their meat requirements from pork and have boosted their consumption enough to spur a 2½ fold gain in pork output since 1960, along with sharp increases in feed needs of swine operations.

in fresh pork. In 1974 (the most recent data available), 45 percent of total pork production was consumed fresh, compared with slightly more than one-fifth a decade earlier. Still, processing continues to absorb large quantities of pork—391,000 tons in 1974.

As a result of modernization, Spain's pork industry today is considerably changed from that of 1960.

Then, an estimated one-third of the 6 million hogs were raised on acorns or left to scavenge in the fields, with these diets supplemented by garbage only. Although this practice still occurs in some areas of the south, the number of such hogs today is estimated to be small.

Today, hog raising is increasingly on a commercial basis, with scientific feeding of more and more lean meat-type animals. Between 1960 and 1973, for instance, hogs on intensive commercial farms increased in number from 1.5 million head to 5.4 million while those on extensive production units dropped from 2.1 million head to 1.5 million.

Indicative of the change since 1960 is the large increase in the number of young animals and breeding sows. The number of all animals under 6 months old rose from about 1.7 million in both 1960 and 1965 to about 6 million last year. At the same time, the number of fat or heavy hogs over 1 year in age has declined from 2.1 million in 1960 to 1.3 million in 1965 and a low of about 200,000 in 1976.

Average slaughter weights during this period rose from 86 kilograms, carcass weight, in 1960 to 90 in 1965 but then dropped to about 75 kilograms currently.

The "red" and "black" Spanish hogs accounted for virtually all pork production until the early 1960's, when the Yorkshire White and Belgian breeds were introduced. Today, Spanish breeds are estimated at less than 15 percent of total hog numbers, while Large White hogs and Landrace have taken over the lead. In 1970, for instance, the Large White hogs accounted for nearly 40 percent of total hog numbers, and the Landrace breed, for about 20 percent.

Although hogs are raised in most parts of Spain, they are concentrated in the Catalonia-Balearic Islands, Galicia, and Levante. In 1974, these regions accounted for over half of the hog numbers, almost three-fourths of all the hogs under 6 months of age, and nearly half of total pork production. These hogs are mainly stable fed, although the dry-lot or intensive operations are also found primarily in these regions. Large White and Landrace breeds accounted for more than two-thirds of total hog numbers in these regions in the 1970 Census.

Two of the regions in the South (Extremadura and Andalucia) accounted for another 15 percent of the country's hog numbers in 1974. This is an area of extensive hog operations where "black" and "red" hogs are still raised on acorns and pasture before slaughter at heavy weights. The two regions had nearly one-half of the 261,000 fat or heavy weight hogs in the country in 1974.

The rapid growth in pork production and modernization of the hog industry have been enhanced by Government policy.

For many years, the Government has maintained a system of guaranteed price supports. At first, these were calculated on a liveweight basis, according to the type of hog. Since May 23, 1964, support prices have been based on carcass weight. Also in 1964/65, the Government price supports were modified to include the thickness of the fatback, so as to promote the breeding of meat type hogs that have a high feed-to-meat conversion ratio and are slaughtered at a lighter weight and earlier age than traditionally done. The support prices have been raised several times.

Another innovation of the

regulatory standards introduced in 1964/65 was the establishment of an indicative price, attained by adding 15 percent to the support price. In 1971/72, minimum intervention and maximum or ceiling prices were adopted for pork. The minimum intervention price is slightly above the guaranteed support price.

Whenever the pork price falls below the minimum intervention price, the Supply and Transport Commission purchases pork on the domestic market at the guaranteed support price to prevent further price declines and, thereby, protect producers' income.

On the other hand, the agency releases pork from stocks or imports pork whenever the estimated price average of animals slaughtered in key cities rises above the indicative price. These sales are at the indicative price, and are intended to protect consumers against price increases.

As with all industries, hog raising in Spain still faces a number of problems, including production facilities in old buildings ill-suited for hog raising, sanitary measures that are often below standard, the persistence of African swine fever, and a shortage of modern refrigeration plants.

Still, the outlook is good for further expansion and modernization. This change also is giving an expanded role to feed manufacturers, who are increasingly venturing into pork production now that the broiler industry has been about fully developed.

Pork consumption per capita should continue to rise, though at a considerably slower pace than the more than 7 percent a year recorded over the past decade. But even a dip in that annual rate to 4 percent would bring per capita consumption up to 23 kilograms by 1980. This gain, plus the yearly 1 percent population growth rate would result in a total pork consumption of about 850,000 tons by 1980.

Some studies estimate that Spain will need 1.2 million tons of pork by 1985 to supply a projected consumption of 30 kilograms per person for a population of 40 million people. Should this projection prove accurate, pork production would have to increase sharply for Spain to maintain its near self-sufficiency in pork.

Pork imports are not expected to increase beyond the current levels due to the extensive tariff protection enjoyed by Spanish producers. Consequently, pork imports are expected to continue to be a small percentage of total consumption, while some attempts will probably be made to develop a pork export business.

Average carcass weight should continue to decline, dropping to approximately 70 kilograms by 1980 as the "red" and "black" hog breeds continue to diminish. Assuming a pork production of 850,000 tons and the lower carcass weight in 1980, 3.6 million animals would have to be slaughtered to yield the additional 250,000 tons. This would mean total slaughter in 1980 of 11.6 million head—45 percent above the 1976 level.

To keep pace with the country's growing demand for pork and other livestock products, Spain will have to continue importing large quantities of feedgrains and other feed ingredients. Using percentage estimates of mixed feed usage of corn fed to hogs, (officially estimated at about 30 percent), 2.7 million tons would be needed by the hog industry in 1980, compared with 2 million in 1976. Gains in pork production alone thus could push total corn use from 6.2 million tons in 1976 to nearly 7 million in 1980.

By 1980, over 900,000 tons of soybean meal are expected to be used in mixed feed for hogs, which currently receive about 630,000 tons, or 30 percent of the 2.1 million tons of total soybean meal consumption, (equal to about 2.6 million tons of soybeans).

Unless unexpected technical development takes place, Spain's production of corn (1.7 million tons in 1976) and soybeans (5,000 tons in 1976) is not likely to increase substantially. Thus, Spain will continue to be largely dependent on imports of both corn and soybean meal (or the soybean equivalent) to meet domestic needs. □

Spain's hog slaughter and pork production, consumption, and trade, 1960, 1965, and 1970-77

Year	Slaughtered	Average yield	Pork production	Consumption from domestic animals			Imports	Exports	Consumption	
				Total	Fresh	Processed			Total	Per capita
	1,000 head	Kg.	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	Kg.
1960	2,986	86.4	258	258	34	224	10	—	268	8.8
1965	2,957	90.0	266	266	58	208	24	—	290	9.7
1970	6,024	81.7	492	492	195	296	1	0.1	493	14.6
1971	5,912	80.3	475	475	192	283	3	.2	478	14.0
1972	5,666	81.4	461	461	184	277	76	.3	537	15.6
1973	7,396	79.5	588	588	264	324	39	1.3	627	18.1
1974	9,464	75.0	710	710	319	391	8	.8	718	20.5
1975	8,012	75.0	602	602	[1]	[1]	44	.4	646	18.3
1976	8,513	76.4	650	650	[1]	[1]	52	.4	702	19.5
1977[2]	9,250	75.7	700	700	[1]	[1]	5	.5	704	19.4

[1] Not available.

[2] Preliminary (FAS estimate).

Source: 1960-74 slaughter numbers, production, and consumption from *Anuario de Estadistica Agraria* — 1974. Recent years from FAS dispatches. For all years, trade data from *Estadisticas del Comercio Exterior*, various issues.

Argentina Sees High Oilseed Output in 1977

Ideal conditions during the growing season coupled with a 20 percent area increase have boosted Argentina's hopes for spectacular yields for most oilseeds and a record volume of oilseed production of 3.625 million metric tons in 1977. Prospects for exports are equally good.

Total 1977 oil production is forecast to rise 18 percent over that of 1976, with edible oil output increasing only 16 percent to 537,000 tons, owing to an increased amount of direct soybean exports. A quota of 500,000 tons has been established for soybean exports in 1977, compared with 150,000 tons in 1976. Inedible oil output may also expand by as much as 40 percent with a larger flaxseed crush.

The star performer this season has been soybeans, and production may be as high as 1.27 million tons, if harvesting conditions remain favorable. This is 83 percent more than was produced last year, owing to an area increase of 54 percent. (*Foreign Agriculture*, January 17, 1977.)

Only 6 years ago, soybean production was a mere 78,000 tons. The recent increase in soybean plantings is in the traditional coarse grain belt and probably at the expense of corn. Also, the practice of sowing soybeans over wheat stubble is becoming increasingly popular. Continuous heavy rains possibly resulted in less plantings than intended, but later led to prospects for record yields. Later still, persistent rains resulted in some localized flooding that may have caused some damage, encouraged fungus problems, and reduced quality.

Every year, Argentina has hopes for a sunflowerseed crop that will exceed 1 million tons, but only six times since the early 1940's has this goal been reached, one of them in 1976. Production this season may be 1 million tons, or slightly less, depending on weather conditions through the harvest period. Sunflowerseed, in particular, is sensitive to heavy moisture, and probably was more affected by the continued rains than were soybeans. Should production reach 1 million tons, it will be 8 percent less than last year's output.

Peanut production has also been affected by excessive moisture, but output may still reach 500,000 tons, or 48 percent higher than that of last season.

Cottonseed plantings were boosted considerably as producers unable to seed sunflowerseed in the north switched to cotton. Yields are expected to be outstanding and production is forecast at 325,000 tons, compared with 240,000 tons last season.

Rains at harvesttime reduced flaxseed prospects, but with an area increase of 44 percent, production may still have been in the order of 580,000 tons, although the Argentine Government's estimate was for 630,000 tons. Even at 580,000 tons, flaxseed production would be the highest since 1970/71.

Tung nut production in 1977 was reduced by the frost of August 1976, and output is expected to be reduced to 70,000 tons, compared with 118,000 tons during the previous season.

Total 1977 oil exports from Argentina are forecast at 372,000 tons, compared with 223,000 tons last year, and a mere 132,800 tons in 1975. Edible oil exports are expected to nearly double from the 1976 volume to 238,000 tons. According to the National Grain Board, export sales during January-March totaled slightly over 140,000 tons, 59 percent of the year's forecast outflow.

According to trade sources, there is keen interest on the world market in Argentine sunflowerseed oil. In addition, nearly all of the country's peanut oil output will be exported, as the domestic market does not prefer it.

Assuming that all of the flaxseed crop will be crushed locally, 1977 oil exports may increase by as much as 60 percent. Tung oil exports may not decline in proportion to production, as the nuts can be crushed in 2 calendar years, and early 1977 oil exports would be supported by the 1976 harvest. By the same token, even if nut production recovers in 1978, oil exports will remain low at least through the end of the year.

Meal exports in 1977 may top 1 million tons, surpassing 1976 exports by as much as 265,000 tons.

As in 1976, it is unlikely that the full soybean export quota will be fulfilled. Also greater proportion of the soybean crop may be needed for crushing and to meet local oil demand. □

Based on a report from James P. Rudbeck, U.S. Agricultural Attaché, Buenos Aires.

Turkey Has Big Wheat Crop

Turkish wheat production for the 1977/78 season is now estimated at 13.5 million tons, 1 million tons higher than the April forecast and 500,000 tons above last season's output.

However, the Turkish Government—the major buyer and seller of grain in the country—still is faced with the problem of marketing large stocks of wheat remaining from the 1976 harvest.

Turkey has been subsidizing wheat for export from its 1976 stocks at relatively low prices because of the pressing need to reduce its large (around $3 billion) trade deficit, relieve the foreign-exchange shortage, and make way for grain to be harvested this year.

For several years prior to 1975, Turkey was a net importer of wheat. After a large harvest in 1975 and a record crop in 1976, Turkey's wheat stocks reached surplus levels. Export sales at the prices asked by the Turkish Government were slow during 1976, but after the Government reduced its price to the world level, export sales picked up in 1977.

During the 1977/78 marketing year (June-May), Turkey is expected to have sufficient wheat stocks to export as much as 2 million tons. However, actual shipments during the marketing year probably will not total more than 1 million tons because of the limited transport and port facilities.

Only about 1.7 million tons of the Government's total stocks are stored in silos. About 2 million tons are stored on the ground, and the remainder (about 5 million tons) are in the hands of farmers and private traders. □

Sweden: Strong Market For U.S. Vegetables

By James O. Howard and Georg Frostenson

Swedish consumers are Americanizing their dinner tables with such everyday U.S. produce as corn-on-the-cob, iceberg lettuce, and watermelon, as a result of promotional efforts by U.S. exporters and Swedish importers. In just a few years, U.S. vegetable sales to Sweden have been boosted to $5.4 million, a figure that is likely to climb even higher in the future.

A three-way market development effort by U.S. exporters, Swedish importers, and the FAS market development program has boosted U.S. exports of fresh vegetables from 4.6 percent of the Swedish market in 1971 to 7.2 percent of the market share in 1976. During this same period, the value of Swedish imports of fresh vegetables from the United States increased 171 percent to $5.4 million, and opportunities to reach new sales records are still to be had.

In addition to effective promotional programs, the key to U.S. exporters' achievements in boosting fresh vegetable exports is the Swedish market itself.

- Sweden is an excellent growth market for fresh vegetables—consumers have high incomes and are nutrition conscious;
- Although Sweden's per capita vegetable consumption is low—compared with that of the United States—it has been increasing steadily;
- Swedish importers are actively seeking new products;
- The market for high-priced perishable vegetables, such as lettuce, Chinese cabbage, peppers, and radishes, is relatively open—import duties are negligible during most of the year.

For fruit and vegetables combined, the United States is the second largest supplier to Sweden, surpassed only by the European Community (EC).

(U.S. fruit—fresh, dried, and tree nut—exports to Sweden are substantially larger than U.S. vegetable trade. U.S. exports of these items to Sweden in 1976 were valued at $18.8 million, and consisted primarily of almonds, raisins, prunes, lemons, and pears.)

The current intensive market development drive for U.S. fresh vegetable trade in Sweden began in 1972. FAS, through its "Fresh Produce Program," assisted Swedish importers with special sales cards, instore demonstrations, and mass displays of U.S. fresh vegetables.

The program has helped Swedish importers introduce several U.S. vegetables to Swedish consumers—watermelon, Chinese cabbage, new potatoes, and corn-on-the cob.

In addition, promotional assistance has been given to U.S. products already on the Swedish market—iceberg lettuce, tomatoes, peppers, radishes, and celery.

FAS funds are generally quite modest, as they cannot exceed 10 percent of the f.o.b. value of the product and they cannot pay more than one-half of the cost of the promotion.

Vegetable buyers for the Swedish retail chains state that the interest shown by the U.S. Government makes the value of the Fresh Produce Program far greater than the actual financial contribution.

The United States is not alone in its efforts to promote fresh produce exports to Sweden. Producers of fruits and vegetables in most countries selling on the Swedish market have also teamed up with their governments to carry out systematic promotion programs in Sweden. Israel, Italy, France, South Africa, and Australia have large programs, while the Netherlands, Spain, Belgium, and several Mediterranean countries have smaller ones.

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[1] The term "high-priced perishables" is used to include products other than onions, roots, and cabbage. The latter are bulk items that are typically low-priced and relatively storable.

From far left: A Swedish consumer examines Chinese cabbage from the United States in a Stockholm supermarket. Promoting U.S. watermelon in a Stockholm store; customers are shown how to carve and serve the melons.

Consumption. Since 1960, Swedish per capita consumption of fresh and frozen vegetables has risen from 22 kilograms (1960) to 34 kilograms (1976). The increase has been confined exclusively to high-priced perishables.

However, Sweden's per capita consumption of fresh vegetables is relatively low, compared with that of the United States (64 kg), the United Kingdom and Western Europe (76 kg), the Mediterranean area (136 kg), Canada (83 kg), and Japan (125 kg).

The reason behind Sweden's low consumption is that it is not traditional for Swedes to eat fresh vegetables except when domestic produce is in season. During the winter months, vegetable consumption has traditionally been dominated by root crops (carrots, beets, and turnips), as well as by cabbage and onions.

Improvements and innovations in transportation and handling, increased consumer incomes, and gradual changes in eating habits

Continued on page 8

Swedish Commission Issues Farm Report

A Swedish Government Commission recently released its report of recommendations for the country's agricultural policy in the 1980's.

While the recommendations basically contain no major policy changes, they do call for continuation of the present system of variable import levies to protect domestic prices. This highly protective apparatus has effectively prevented the United States from gaining a sizable export market in Sweden for grains and livestock products.

The Commission also suggested that Sweden's agricultural resources be used as fully as possible. Production targets are geared to assure high levels of self-sufficiency, a goal which was established by the 1974 farm law. Surplus output of grain, particularly exportable wheat, will be encouraged, while costly surplus output of red meat and dairy products will be discouraged.

No basic changes were recommended in price and income policies, although the Commission suggested that the farm price support levels be calculated at the farm gate level wherever feasible, rather than at the wholesale level, the current procedure.

The Commission also suggested that the present "middle-price line" be continued. Under this policy, producers are subsidized directly from Government funds rather than passing on the entire rise in farm prices to consumers via higher retail prices. □

since World War II have fueled the rise in consumption of perishable vegetables out of season, however.

Domestic production. Sweden's domestic vegetable production is heavily weighted by root crops grown on open land, while high-priced perishables dominate the import picture. Tomatoes, lettuce, cucumbers, and several kinds of green vegetables, however, are grown in special enterprises, such as hothouses.

Agricultural production in Sweden has become increasingly specialized and concentrated. The relatively free market access for imported vegetables has encouraged Swedish farmers to introduce more modern methods of cultivation and management to meet the competition.

Some field area expansion has occurred for carrots, cabbage, and onions, while area planted to cucumbers and spinach has declined. A slight upturn has also occurred in hothouse area, owing to somewhat larger output of tomatoes and cucumbers.

Marketing and distribution. Swedish vegetable growers market their produce primarily through their own cooperatives at regional produce markets, the largest being Tradgardshallen in Helsingborg.

From these markets, as well as from ports handling imported vegetables, wholesalers distribute the produce to the retail trade.

Three major distributors control almost 90 percent of the trade. ICA, the leading voluntary food chain, has a 37 percent share of the retail food market. KF, the Confederation of Swedish Consumer Co-ops, controls about 31 percent, and SABA, a new association of wholesalers and retailers, controls some 22 percent of the market.

Imported fresh vegetables are playing an increasingly larger role in the Swedish market. Top vegetable imports in 1975 (latest year for which complete data are available) included tomatoes (32,800 metric tons), onions (16,300 tons), cabbage (15,200 tons), cucumbers (15,000 tons), and carrots (10,300 tons). Imports of high-priced perishables accounted for 71,500 tons, almost 63 percent of the total 114,400 tons of vegetables imported. Almost 80 percent of the import value of roughly $69.8 million was for relatively high-priced perishables.

A few products, such as tomatoes and peppers, are imported throughout the year, while others are imported only during certain months of the year, owing to the variable duty rate structure.

Imports of fresh U.S. vegetables were relatively low and static in volume prior to 1975; sharp upturns, however, were recorded in 1975 and 1976.

According to Swedish trade data, major U.S. vegetable imports in fiscal 1975/76 included lettuce (2,580 tons), carrots, (906 tons), peppers (850 tons), melons (600 tons), and Chinese cabbage (582 tons).

Potato imports from the United States were exceptionally high in fiscal 1975/76—42,576 tons—owing to the reduced European potato crop in 1975.

Government policy. Opportunities on the Swedish market for imported vegetables are exceptionally good. Horticultural products are not included in Sweden's agricultural regulation system, and, therefore, are not subject to the high import levies applied to basic farm produce. Seasonal tariffs on horticultural products averaged about 14 percent of the c.i.f. import price in 1975.

Tariff periods vary in length from 2-12 months, but usually average about 8 months. Sweet pepper imports are free of tariffs. Several tariffs—including pepper's tariff-free status—are bound in the General Agreement on Tariffs and Trade (GATT), and cannot be increased without compensation. Produce under this category include red beets, tomatoes, asparagus, fennel, chives, spinach, dill, parsley, artichokes, rhubarb, and leeks.

As prices for these products increase, specific tariffs lose their protective power, and, as a result, import prospects are promising.

Some protection against low-priced subsidized imports may be introduced after 1978, which would favor imports from the United States.

Transportation costs and techniques. Most fresh vege-

U.S. and Europe Vie for Swedish Vegetable Market

Exporters from the United States aren't the only ones eyeing Sweden's lucrative vegetable import market—the European Community (EC) countries as well as Mediterranean exporters are also expanding promotion and sales in the Swedish market.

Below is a breakdown of the major fresh vegetables imported by Sweden, along with import statistics, competitors, and the general market situation for each vegetable:

Chinese cabbage. Total Swedish imports (estimated) in calendar 1976: 3,600 metric tons. U.S. share: 1,050 tons. Major competitors: Austria, Israel, Italy, and the Netherlands.

Chinese cabbage was introduced to Sweden in the early 1970's, partly as a result of shortages of lettuce brought on by lettuce boycott actions by some Swedish groups. The rapid expansion in Swedish consumption of Chinese cabbage is attributed to its low price and active market promotion efforts, particularly by one Swedish food chain. Chinese cabbage has not reduced the volume of lettuce sales, but has slowed its rate of increase. First shipments of Chinese cabbage were taken from Austria, which is still Sweden's largest supplier.

Carrots. Total imports in fiscal 1976: 10,258 tons. U.S. share: 906 tons. Principal competitors: Denmark, Italy, and Israel.

Carrots are usually imported during March-August, when Swedish domestic supplies are exhausted. Shipping rates for U.S. exporters are favorable, but domestic prices are low, except during periods of shortages. In recent years, carrots from California (shipped via the Panama Canal) and Florida have been well received by Swedish consumers.

Radishes. Total Swedish imports in fiscal 1976: Not available. U.S. share: 465 tons (estimated). Major competitors: The Netherlands and Denmark.

Radishes are a staple on the Swedish market. The United States is a principal supplier to Sweden, with most of the product coming from Florida and Ohio.

Onions. Total imports in fiscal 1976: 17,882 tons. U.S. share: 425 tons. Principal competitors: Italy, Hungary, and Israel.

Imports of U.S. onions are

table shipments from the Mediterranean area to Sweden are by rail. Some bulky produce arrives by sea, as does 90 percent of U.S. shipments aboard refrigerated container ships.

High-priced, highly perishable produce such as strawberries and red peppers from the United States, as well as tomatoes from the Canary Islands, are often shipped by air.

Except for high-priced bulky items such as lettuce from the U.S. west coast, the difference in shipping costs by sea and rail, respectively, from the United States and the Mediterranean area is usually small.

Sea shipments from the Mediterranean are cheaper than those from the United States, but seem to be confined primarily to nonrefrigerated, low-priced items that are relatively storable.

The competitive strength of U.S. vegetable shipments to Sweden has been tested by several factors, including: Production costs, f.o.b. prices, shipping costs, and economic loads. These factors are somewhat limiting for U.S. fresh vegetable exports. However, production costs are likely to rise at a faster rate in some of the competing countries, particularly Spain and Italy. If the volume of vegetable exports continues to grow, however, shipping costs and economic load factors will decline in importance.

One way for U.S. exporters to cut costs is to ship concentrated amounts.

Some factors favoring U.S. vegetable exports to Sweden are promotional efforts, quality of produce, and a wide range of available products. □

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marginal owing to their low average price on the Swedish market and relatively small seasonal variations. Smaller sizes of U.S. onions are preferred for the Swedish market.

Tomatoes. Total imports in fiscal 1976: 33,556 tons. U.S. share: 91 tons. Principal competitors: The Netherlands and the Canary Islands.

Tomatoes are Sweden's major fresh vegetable import, but unfortunately the United States has few tomatoes to export. The small amount of U.S. tomatoes imported by Sweden last year was confined largely to cherry tomatoes. Currently, however, some vine-ripe tomatoes are also being shipped from Florida. Imports are relatively even throughout the year, but best prices are obtained in the spring season.

Peppers. Total Swedish imports in fiscal 1976: 6,371 tons. U.S. share: 850 tons. Principal competitors: Italy, the Netherlands, Romania, and Israel.

Disruption of pepper imports from Ethiopia has favored increased purchases from the United States. Red peppers are usually priced twice as high as green peppers, and are air freighted from the United States. Peppers are available on the Swedish market year-round, but prices fluctuate substantially. The market for peppers has been increasing in recent years in Sweden.

U.S. supplies of peppers to Sweden have come mostly from Florida; however, most small Swedish stores cannot handle the big Florida cartons, with the result that stores are purchasing more expensive or lower quality peppers in smaller boxes from other countries.

Celery. Total imports in fiscal 1976: Not available. U.S. share: 145 tons (estimated). Chief competitors; Italy, Israel, Spain, and the Netherlands.

Celery sales have never really "taken off" in Sweden. This vegetable remains a low-volume product, but with steady sales that are slowly climbing. However, celery remains a growth item and worth further promotional efforts.

During the past two seasons, U.S. celery has been competitively priced on the Swedish market and U.S. producers have begun packaging it according to Swedish market tastes—one small stalk per package, rather than two.

Watermelons. Imports in fiscal 1976: 5,335 tons. U.S. share: 600 tons. Principal competitors: Spain, Italy, and Israel.

Watermelons from the U.S. east coast were introduced in volume in Sweden in 1974, according to a well-conceived marketing plan and careful packing and shipping. Swedish tradesmen were provided with instructions for handling, cutting, and display. The only negative comment at this point is that U.S. melons are too large—watermelons of 2-4 kilograms would perhaps receive better reception by the Swedish trade.

Corn-on-the-cob. Imports in fiscal 1976: Not available. U.S. share: 60 tons (estimated). Major competitor: Denmark.

Swedish consumption of corn-on-the-cob remains small owing to a limited import season. The product is considered a good growth item, particularly if U.S. suppliers are willing to ship trimmed corn, and if the Swedish import season can be prolonged considerably.

Lettuce. Imports in fiscal 1976: 7,129 tons. U.S. share: 2,580 tons. Major competitors: Spain and the Netherlands.

Introduced during the last decade, U.S. iceberg lettuce was probably the first of its type known on the Swedish market. Leaf lettuce—primarily from European hothouses—has long been consumed in Sweden, along with some locally grown leaf lettuce.

Unfortunately, prior to 1976, Swedish lettuce trade statistics do not distinguish between iceberg lettuce imports and leaf lettuce imports. Major competition for U.S. iceberg lettuce comes from Spain, where a large production was started some years ago south of Barcelona. One advantage for Spanish shippers is that transportation time to Sweden is shorter than from the United States.

One of the large Swedish importers has been relying heavily on Spanish supplies of iceberg lettuce during January and February. In addition to Spain, France and Italy also sell small amounts of iceberg lettuce. Sweden also has started a small but growing domestic output of this product, which reduced import requirements during June-September. During this latter season, however, most lettuce imports are of leaf lettuce.

Generally, the quality of U.S. produce is unsurpassed. However, the risk of quality deterioration is relatively large, owing to the length of haul. Neglect in packing and handling, such as failure to precool properly the produce, departures from recommended temperatures, and mixing products that are incompatible have a more serious effect when hauls are long. It is one area that needs further research if fresh vegetable exports are to continue successfully. □

South Africa's Corn, Sorghum Crops Seen Larger This Year

South Africa's corn producers are optimistic that this year's crop will be a good one that may almost double export levels over last year's.

Grain sorghum production and trade also are expected to be higher than in 1976/77, but wheat output and exports are expected to be lower than in the previous marketing year.

Although corn area for the May 1977-April 1978 year is 2 percent smaller than the 4.5 million hectares sown for 1976/77, good growing weather has raised the official estimate of the crop—based on conditions as of the end of March—to 9.6 million tons, compared with 7.3 million tons produced during the previous season.

The projected corn crop would increase the country's total corn export availabilities to about 2.9 million tons, compared with 1.5 million tons exported during 1976/77.

South Africa's corn producer price for the marketing year has been set at the equivalent of $85.26 per ton, an increase of $10.36 per ton over last season's price. This price does not take into account any possible export profit payout. There will be no export profit payments from 1976/77 export earnings, as these funds will be used to bolster the stabilization fund.

The Maize Board's selling price has been increased from $67.97 per ton to $82.38, mainly as a result of the producer price increase and a $17.3-million cutback in the Government's domestic price subsidy. No money from the stabilization fund will be used to adjust consumer prices this season.

Corn exports during May 1976-March 1977 totaled 1,480,958 tons, and the 12-month total is expected to be 1,487,000 tons. However, the monthly totals indicate a yearly total of about 1,559,000 tons, the 72,000-ton difference being accounted for by Rhodesian corn shipped through South African ports.

South Africa's latest official grain sorghum estimate is for 353,000 tons, compared with 277,000 tons produced in the 1976/77 marketing year. Planted area is 281,000 hectares—12,000 more than in the previous season. The bigger crop will mean an increase in exports from 3,000 to 12,000 tons. The 1977/78 floor price for sorghum has been set at $93.90 per ton, $11.52 more than the previous season's price.

Wheat production during 1977/78 is forecast at about 1.9 million tons, down from the 2.3 million tons estimated for 1976/77 because of smaller area and lower yields.

Wheat is harvested in November/December in the Western Cape and from November to February in the Free State. In the important northern Transvaal area, harvesting occurs in June, July, and August.

Traditionally, these farmers delivered their wheat to cooperatives but did not sell it to the Wheat Board until the start of the new season on October 1 last year because the new season's prices usually have been higher than those of the preceding season.

This year, however, it is generally expected that the new season's price will not be much higher than the 1976/77 price. Farmers could, on the basis of this situation, decide to market their crops this season.

Consumption of wheat in the 1976/77 season is also causing concern. Recent price increases have slowed consumption, and very little growth is expected. The situation is contributing to the oversupply problem and, taking the normal carryover of 546,000 tons into account, means that the Wheat Board has on hand a large exportable surplus of 485,000 tons.

South Africa's 1976/77 producer price for Grade A1 wheat is $141.14 per ton, compared with $122.40 in 1975/76.

Wheat currently is exported at a loss, with the difference covered by the Wheat Board's stabilization fund. However, the fund can only finance exports of about 270,000 tons this season, which means that the carryover will be 761,000 tons at the end of September 1977—215,000 tons more than the normal carryover. To finance further exports, funds will have to be found in a producer levy on 1977/78 season wheat. □

Demand for U.S. Tobacco Up in Taiwan

Rising personal incomes in Taiwan are generating demand for better quality cigarettes. Taiwan's imports of leaf tobacco during 1976 jumped 22 percent from the 1975 level to a record 10,377 metric tons, of which 55 percent by value and 46 percent by volume were from the United States.

Other important suppliers of leaf to Taiwan during 1976 were Korea, which supplied 27 percent of Taiwan's total leaf import value and 34 percent of total volume, and South Africa, which supplied 13 percent of total value and 16 percent of total leaf import volume.

Taiwan's leaf tobacco exports during 1976 amounted to 4,139 tons, compared with 4,111 tons during 1975.

Japan and the United States are the largest importers of Taiwan's tobacco, accounting for 51 percent of total export quantities and 49.5 percent of total export value.

Other important importers are Hong Kong, the United Kingdom, and West Germany. The value of Taiwan's leaf tobacco exports during 1976 was $7.9 million.

Taiwan's exports of manufactured tobacco are insignificant. Exports of cigarettes during 1976 totaled only 5.4 million pieces, valued at $33,000.

Total cigarette output during 1976 was 21.9 billion pieces, topping the previous record of 20.8 billion pieces in 1975. Total sales of cigarettes were reported as 21.8 billion pieces, also exceeding the previous record, set in 1975, of 20.7 billion pieces. Filter-tip cigarettes accounted for 97 percent of production. □

FAS in Scandinavian Hospital Fair

Participation in "Hospital og Forsog 77," the Scandinavian Fair of Equipment for Hospitals and Social Welfare Institutions, marked the initial appearance of FAS in this fair and in a hospital-institution show. The fair was held May 24-27, 1977, at Bella Center in Copenhagen, Denmark.

The United States was one of 14 countries participating in the fair, which was aimed at the fast-growing hospital and institutional market. Twenty-one U.S. firms took part in the show, and 45 trade leads were taken.

The trade-only show drew an estimated 16,300 people, comprised of roughly 80 percent hospital and prison managers and 20 percent buyers and food managers.

FAS personnel helped prospective buyers find information on U.S. products, and related inquiries to U.S. firms. □

Looking over the U.S. catalog at the Scandinavian fair are (from left): Irene Rolner, agricultural specialist; Kay Day, aide; Billie Tovell, FAS Washington; Fred Traeger, U.S. Agricultural Attaché in Denmark.

Spain's Table Olive Crop To Set Record

Spain's 1976/77 table olive crop is estimated by the Ministry of Agriculture at a record 173,000 metric tons, about 4 percent below the November 1976 FAS estimate but almost 22 percent above last season's output.

The small decline from the November estimate is a result of lower-than-expected yields of Queens and other varieties. Trade sources estimate the 1976 crop of exportable-quality table olives at 79,500 tons (29,000 tons of Manzanillas, 12,500 tons of Queens, and 38,000 tons of other export varieties), nearly 34 percent below last season's output of 120,000 tons.

According to Spanish Customs reports, table olive exports in the first quarter of the current season totaled 23,349 tons (11,165 tons of unspecified varieties, 7,719 tons of Manzanillas, and 4,465 tons of Queens), compared with 27,159 tons exported during October-December 1975.

The United States took 10,933 tons of Spanish table olives in the first quarter of the 1976/77 season, nearly 32 percent less than in the same period of 1975/76.

Bulgaria, Canada, and Italy were other major outlets for Spanish table olives in the first quarter of 1976/77.

Exports during the 1976/77 season currently are projected by the trade at about 65,500 tons (21,000 tons of Manzanillas, 13,500 tons of Queens, and 31,000 tons of other export varieties), compared with the previous year when exports totaled 83,100 tons.

In theory, domestic consumption of table olives may double in 1976/77; however, should a substantial quantity of nonexport varieties be crushed for oil, table olive consumption will be reduced to much lower levels. □

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China Buys 6 Million Tons Australian, Canadian Wheat

The Australian Wheat Board announced on July 4 the sale of 3.0 million metric tons of wheat to the People's Republic of China (PRC) for delivery through August 1977-July 1978. This duplicates the sale to the PRC reported by the Canadian Wheat Board on May 31.

Each of the two sales is approximately equal to the 3.2 million tons of wheat bought from Canada in December 1971—China's largest single grain purchase.

This brings to 11 the number of confirmed PRC wheat purchases since November 1976, and is the eighth so far this year.

Overall, China's grain purchases now total almost 9 million tons for delivery in fiscal 1977/78 (July-June)—more than 2½ times the 3.4 million tons of wheat and rice imported in 1976/77, and almost four times the low of 2.3 million tons of wheat bought in 1975/76.

By Alva L. Erisman, Agricultural Economist, Grain and Feed Division, Foreign Commodity Analysis, FAS.

For calendar 1977, China's wheat purchases for import now amount to almost 7.1 million tons, the highest since the PRC began to regularly import grain in 1961. In 1973 and 1974, China imported about 7.8 million tons and 6.9 million tons of grain, respectively. But, these imports included about 1.6 million tons of corn in 1973 and about 1.4 million tons in 1974.

The latest two Chinese wheat purchases apparently will be used, in part, to meet the country's requirements for the last half of this year as well as providing above-average monthly deliveries for the first 6 months of calendar 1978.

If past buying practices are followed, China may buy some wheat from Argentina for delivery after January 1, 1978.

China's larger-than-normal grain purchases in late 1976 and early 1977 were apparently due, at least in part, to a disappointing fall grain harvest in north and northeast China. The new purchases of foreign wheat, however, appear to reflect a drawdown in China's grain reserves over the past 2 years and also indicates an ongoing need for larger imports, and perhaps, concern over current prospects for this year's wheat crop and the harvest of fall grains in North China. It is believed that the PRC has drawn down its grain reserves to a point where any further deterioration of crop prospects in north and northeast China could trigger more purchases for near-term delivery.

Should the need arise, China's northern ports could probably offload 1.0-1.5 million tons of grain beyond the imports already booked for delivery during July-December 1977. □

PRC Estimated Delivery Schedule for Wheat Imports, CY 1977, by Quarter

[Thousand metric tons]

January-March	
Canada	192
Australia	300
Argentina	250
TOTAL	742
Monthly average 247	
April-June	
Canada	1,220
Australia	550
Argentina	100
TOTAL	1,870
Monthly average 623	
July-September	
Canada	1,100
Australia	1,150
Argentina	550
TOTAL	2,800
Monthly average 933	
October-December	
Canada	300
Australia	1,350
Argentina	0
TOTAL	1,650
Monthly average 550	
Total CY 1977	
Canada	2,812
Australia	3,350
Argentina	900
TOTAL	7,062
Monthly average 588	